

INITIAL STATEMENT OF REASONS

Section 1859.79. Modernization Matching Share Requirement.

Specific Purpose of the Regulation

To explain the district's matching share requirements for modernization grants.

Need for the Regulation

Establishes the required amount for the district's matching share for modernization grants, additional grants, facility hardship grants, and excessive cost hardship grants based on the 60/40 funding ratio.

Technical Documents Relied Upon

None.

Section 1859.79.3. Minimal Requests for Modernization Grant Funds.

Specific Purpose of the Regulation

To provide an exception to the minimal request requirement and reflect minor non-substantive changes.

Need for the Regulation

It was necessary to provide an exception to the minimal request requirement for those approved applications that require adjustments due to the new funding ratio. It was also necessary to reflect minor non-substantive changes for purposes of consistency.

Technical Documents Relied Upon

None.

Section 1859.81.1. Separate Apportionment for Site Acquisition and Design Costs.

Specific Purpose of the Regulation

To provide further direction to school districts seeking funding for modernization.

Need for the Regulation

Subsection (c)(1): It was necessary to separate the approved applications by specific date because the percentage for pre-construction funding is based on the 80/20 funding ratio.

Subsection (c)(2): It was necessary to separate the approved applications by specific date because the percentage for pre-construction funding is based on the 60/40 funding ratio. The 25 percent figure allows districts to request a certain number of grants and

continue on with the project rather than reducing the scope of the project and beginning over; meaning withdrawing the application and resubmitting a new application.

4th Paragraph: It was necessary to relocate these instructions for purposes of consistency.

5th Paragraph: It was necessary to instruct districts that the adjusted grant be for the minimum modernization grant requested for a design apportionment based on the specific received date.

6th Paragraph: It was necessary to instruct districts that the adjusted grant be for the minimum modernization grant requested for a design apportionment based on the specific received date.

Technical Documents Relied Upon

None.

Section 1859.83. Excessive Cost Hardship Grant.

Specific Purpose of the Regulation

To specify: 1) what the percentage of the grant amount will be for approved applications received pursuant to certain dates; 2) the grant change, due to the funding ratio, for two-stop elevators based on certain dates the approved application was received; and 3) the grant change, due to the funding ratio, for each additional stop of the new elevator based on certain dates the approved application was received.

Need for the Regulation

Subsection (e): It was necessary to stipulate that the grant amounts provided for modernization rehabilitation projects would be different based on certain dates as the dates maintain the funding ratios for the projects.

Subsection (f)(2)(A): It was necessary to add this language since the “on or before March 15, 2002” applies to 80/20 projects.

Subsection (f)(2)(B): It was necessary to add this language since prior to enactment of the statute (AB 16, Chapter 33, Statutes of 2002), modernization projects were funded on an 80/20 funding basis. With the modified funding ratio of 60/40, the \$60,000 figure is based on an initial cost of \$100,000 multiplied by 60 percent, which equals \$60,000. This methodology was computed in the same manner for 80/20 projects.

Subsection (f)(3)(A): It was necessary to add this language since the “on or before March 15, 2002” applies to 80/20 projects.

Subsection (f)(3)(B): It was necessary to add this language since prior to enactment of the statute (AB 16), modernization projects were funded on an 80/20 funding basis. With the modified funding ratio of 60/40, the \$10,800 figure is based on an initial cost of \$18,000 multiplied by 60 percent, which equals \$10,800. This methodology was computed in the same manner for 80/20 projects.

Technical Documents Relied Upon

None.

Section 1859.107. Amending and Withdrawal of Applications.

Specific Purpose of the Regulation

To allow projects to continue without withdrawing the application and redesigning the plans in order to accommodate available district funding.

Need for the Regulation

Subsections (a) through (e): Approved applications for modernization that were received by the OPSC after March 15, 2002 needed to be processed without disadvantaging the district. Between the stipulated date of “after March 15, 2002,” reflected in AB 16, and the date AB 16 became law (April 29, 2002) because of the urgency clause, a window period was created. In order to treat the applications fairly since districts were submitting them under the auspices of the 80/20 funding ratio, it was necessary to set forth a process by which applications could continue without being jeopardized. In Subsection (b), the 37.5 percent figure allows school districts to request the maximum number of grants while maintaining the same district contribution amount for the project.

Further, with the enactment of AB 14, Chapter 935, Statutes of 2002, which becomes effective on January 1, 2003, this process will not be utilized because all modernization applications filed between March 15, 2002 and April 29, 2002 became 80/20 projects.

Technical Documents Relied Upon

None.

Alternatives to the Proposed Regulatory Actions that would be as Effective and Less Burdensome to Private Persons

The SAB finds that no alternatives it has considered would be more effective in carrying out the purpose of the proposed regulations or would be as effective and less burdensome to affected private persons than the proposed regulations.

Alternatives to the Proposed Regulatory Actions that would Lessen any Adverse Economic Impact on Small Business

The SAB has determined that the proposed regulations do not affect small businesses.

Finding of Significant Adverse Economic Impact on Businesses

The SAB has determined that the adoption of the regulations will not affect small businesses because they are not required to comply with or enforce the regulations, nor will they benefit from or be disadvantaged by the regulations.

Impact on Local Agencies or School Districts

The SAB has determined that the proposed regulations do not impose a mandate or a mandate requiring reimbursement by the state pursuant to Part 7 (commencing with Section 17500) of Division 4 of the Government Code. It will not require local agencies

or school districts to incur additional costs in order to comply with the proposed regulations.